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INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ARCHROMA PAKISTAN LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Archroma Pakistan Limited (the Company) for the year ended 30 September 2022 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2022.

Date: 14 November 2022
Karachi
UDIN: CR2022100901e82uwRTW


KPMG Taseer Hadi & Co.
Chartered Accountants

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan, and a member firm of the KPMG global organization of independent member firms affiliated with KPMG network, which is a private equity owned global network.

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

Male	6
Female	1

2. The composition of the Board is as follows:

Independent Directors

Mr. Shahid Ghaffar
Ms. Yasmin Peermohammad

Non-Executive Directors

Mr. Michel Zumstein (Alternate Mr. Naveed Kamil)
Mr. Marcos Furrer (Alternate Mr. Irfan Chawala)
Mr. Thomas Bucher
Mr. M. Veqar Arif

Executive Director

Mr. Mujtaba Rahim

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors' Training program for the following:
 1. Mr. Mujtaba Rahim
 2. Mr. M. Veqar Arif
 3. Mr. Irfan Chawala
 4. Mr. Shahid Ghaffar
 5. Ms. Yasmin Peermohammad
 6. Mr. Naveed Kamil

STATEMENT OF COMPLIANCE

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed the following Committees comprising of members given below:

Audit Committee

- Mr. Shahid Ghaffar - Chairman
- Mr. Michel Zumstein - (Alternate: Mr. Naveed Kamil)
- Mr. M. Veqar Arif - Member
- Mr. Irfan Lakhani - Secretary

Human Resource and Remuneration Committee

- Ms. Yasmin Peermohammad - Chairman
- Mr. Mujtaba Rahim - Member
- Mr. Michel Zumstein - Alternate Mr. Naveed Kamil
- Mr. Irfan Lakhani - Secretary

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committees were as per following:

Audit Committee	Four quarterly meetings during the financial year ended September 30, 2022
HR and Remuneration	One meeting during the financial year ended 30 September 2022

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accounts of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head Of Internal Audit, Company Secretary or Director of the Company;
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

STATEMENT OF COMPLIANCE

19. Explanations for not rounding up the fractional number under Regulation 6 (1) is as follows:

- a) Regulation 6 (1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 stipulates that it is mandatory for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5) the fraction contained in such one-third is not rounded up to one.

Explanation for non-compliance with (non-mandatory requirements), other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Requirement	Explanation	Reg. No.
1	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The responsibilities as prescribed for the nomination committee are being taken care of at board level as and when needed so a separate committee is not considered to be necessary.	29
2	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a risk management committee as risk management framework is managed at Audit Committee level and the Chairman Audit Committee apprises the Board accordingly.	30

On behalf of the Board of Directors

Karachi
Dated: 27 October 2022



M. VEQAR ARIF
Chairman